

HOUSE BILL No. 4103

January 22, 2009, Introduced by Rep. Mayes and referred to the Committee on Energy and Technology.

A bill to amend 1893 PA 206, entitled
"The general property tax act,"
(MCL 211.1 to 211.155) by adding section 7mm.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 7MM. (1) BEGINNING DECEMBER 31, 2009, AN ELIGIBLE ENERGY
2 CONVERSION DEVICE FOR WHICH AN EXEMPTION CERTIFICATE IS ISSUED
3 UNDER THIS SECTION IS EXEMPT FROM THE COLLECTION OF TAXES UNDER
4 THIS ACT AS PRESCRIBED IN THIS SECTION.

5 (2) AN EXEMPTION UNDER THIS SECTION IS EFFECTIVE BEGINNING ON
6 DECEMBER 31 IN THE YEAR IN WHICH AN EXEMPTION CERTIFICATE IS ISSUED
7 UNDER THIS SECTION AND SHALL CONTINUE UNLESS REVOKED AS PROVIDED IN
8 THIS SECTION.

9 (3) AN OWNER OF AN ENERGY CONVERSION DEVICE MAY SUBMIT AN
10 APPLICATION FOR AN EXEMPTION CERTIFICATE TO THE STATE TAX

1 COMMISSION AND TO THE MICHIGAN NEXT ENERGY AUTHORITY. THE
2 APPLICATION SHALL BE IN A FORM PRESCRIBED BY THE STATE TAX
3 COMMISSION AND THE MICHIGAN NEXT ENERGY AUTHORITY.

4 (4) IF THE MICHIGAN NEXT ENERGY AUTHORITY DETERMINES THAT THE
5 ENERGY CONVERSION DEVICE IS AN ELIGIBLE ENERGY CONVERSION DEVICE,
6 THE MICHIGAN NEXT ENERGY AUTHORITY SHALL CERTIFY THE ENERGY
7 CONVERSION DEVICE'S ELIGIBILITY TO THE STATE TAX COMMISSION AND THE
8 STATE TAX COMMISSION SHALL ISSUE AN EXEMPTION CERTIFICATE FOR THAT
9 ENERGY CONVERSION DEVICE. IF THE MICHIGAN NEXT ENERGY AUTHORITY
10 DETERMINES THAT THE ENERGY CONVERSION DEVICE IS NOT AN ELIGIBLE
11 ENERGY CONVERSION DEVICE, THE MICHIGAN NEXT ENERGY AUTHORITY SHALL
12 NOTIFY THE STATE TAX COMMISSION THAT THE ENERGY CONVERSION DEVICE
13 IS NOT ELIGIBLE FOR AN EXEMPTION UNDER THIS SECTION. AN EXEMPTION
14 CERTIFICATE ISSUED UNDER THIS SECTION SHALL STATE THE TOTAL
15 ACQUISITION COST OF THE ENERGY CONVERSION DEVICE.

16 (5) THE STATE TAX COMMISSION SHALL SEND AN EXEMPTION
17 CERTIFICATE ISSUED UNDER SUBSECTION (4), OR NOTICE OF THE MICHIGAN
18 NEXT ENERGY AUTHORITY'S REFUSAL TO CERTIFY THE ENERGY CONVERSION
19 DEVICE, TO THE OWNER OF THE ENERGY CONVERSION DEVICE SUBJECT TO THE
20 CERTIFICATE AND TO THE ASSESSOR OF THE LOCAL TAX COLLECTING UNIT IN
21 WHICH THE ENERGY CONVERSION DEVICE SUBJECT TO THE CERTIFICATE IS
22 LOCATED. THE EXEMPTION CERTIFICATE OR NOTICE OF REFUSAL SHALL BE
23 SENT BY FIRST-CLASS MAIL.

24 (6) THE STATE TAX COMMISSION SHALL REVOKE AN EXEMPTION
25 CERTIFICATE ISSUED UNDER THIS SECTION IF THE EXEMPTION CERTIFICATE
26 WAS OBTAINED BY FRAUD OR MISREPRESENTATION. THE STATE TAX
27 COMMISSION SHALL SEND NOTICE OF AN EXEMPTION CERTIFICATE'S

1 REVOCATION UNDER THIS SECTION TO THE OWNER OF THE PERSONAL PROPERTY
2 SUBJECT TO THE CERTIFICATE AND TO THE ASSESSOR OF THE LOCAL TAX
3 COLLECTING UNIT IN WHICH THE PERSONAL PROPERTY SUBJECT TO THE
4 CERTIFICATE IS LOCATED. THE REVOCATION NOTICE SHALL BE SENT BY
5 FIRST-CLASS MAIL. IF AN EXEMPTION CERTIFICATE IS REVOKED UNDER THIS
6 SUBSECTION, THE ASSESSOR SHALL REMOVE THE EXEMPTION OF THE ENERGY
7 CONVERSION DEVICE AND, IF THE TAX ROLL IS IN THE LOCAL TAX
8 COLLECTING UNIT'S POSSESSION, AMEND THE TAX ROLL TO REFLECT THE
9 DENIAL AND THE LOCAL TREASURER SHALL WITHIN 30 DAYS OF THE DATE OF
10 THE DENIAL ISSUE A CORRECTED TAX BILL FOR ANY ADDITIONAL TAXES WITH
11 INTEREST AND PENALTIES COMPUTED FROM THE DATE THE TAXES WERE LAST
12 PAYABLE WITHOUT INTEREST OR PENALTY IF THE ENERGY CONVERSION DEVICE
13 HAD NOT BEEN EXEMPTED FROM THE COLLECTION OF TAXES UNDER THIS
14 SECTION. IF THE TAX ROLL IS IN THE COUNTY TREASURER'S POSSESSION,
15 THE TAX ROLL SHALL BE AMENDED TO REFLECT THE DENIAL AND THE COUNTY
16 TREASURER SHALL WITHIN 30 DAYS OF THE DATE OF THE DENIAL PREPARE
17 AND SUBMIT A SUPPLEMENTAL TAX BILL FOR ANY ADDITIONAL TAXES,
18 TOGETHER WITH INTEREST AND PENALTIES COMPUTED FROM THE DATE THE
19 TAXES WERE LAST PAYABLE WITHOUT INTEREST OR PENALTY IF THE ENERGY
20 CONVERSION DEVICE HAD NOT BEEN EXEMPTED FROM THE COLLECTION OF
21 TAXES UNDER THIS SECTION. INTEREST ON ANY TAX SET FORTH IN A
22 CORRECTED OR SUPPLEMENTAL TAX BILL SHALL AGAIN BEGIN TO ACCRUE 60
23 DAYS AFTER THE DATE THE CORRECTED OR SUPPLEMENTAL TAX BILL IS
24 ISSUED. TAXES LEVIED IN A CORRECTED OR SUPPLEMENTAL TAX BILL SHALL
25 BE RETURNED AS DELINQUENT ON MARCH 1 IN THE YEAR IMMEDIATELY
26 SUCCEEDING THE YEAR IN WHICH THE CORRECTED OR SUPPLEMENTAL TAX BILL
27 IS ISSUED.

1 (7) AN EXEMPTION CERTIFICATE FOR AN ELIGIBLE ENERGY CONVERSION
2 DEVICE SHALL NOT BE ISSUED UNDER THIS SECTION IF INSTALLATION OF
3 THE ENERGY CONVERSION DEVICE IS COMPLETED BEFORE THE EFFECTIVE DATE
4 OF THE AMENDATORY ACT THAT ADDED THIS SECTION OR MORE THAN 2 YEARS
5 BEFORE THE APPLICATION FOR THE CERTIFICATE IS MADE OR AFTER
6 DECEMBER 31, 2013. ANY EXEMPTION CERTIFICATES ISSUED UNDER THIS
7 SECTION BEFORE DECEMBER 31, 2013 SHALL REMAIN IN EFFECT UNLESS
8 REVOKED AS PROVIDED IN SUBSECTION (6).

9 (8) ANY PARTY AGGRIEVED BY THE ISSUANCE, REFUSAL TO ISSUE, OR
10 REVOCATION OF AN EXEMPTION CERTIFICATE UNDER THIS SECTION MAY
11 APPEAL THAT ISSUANCE, REFUSAL TO ISSUE, OR REVOCATION TO THE
12 MICHIGAN TAX TRIBUNAL.

13 (9) THIS SECTION DOES NOT PRECLUDE THE NECESSITY OF OBTAINING
14 A PERMIT FOR CONSTRUCTION REQUIRED BY ANY OTHER LAW OR ORDINANCE.

15 (10) AS USED IN THIS SECTION:

16 (A) "ELIGIBLE ENERGY CONVERSION DEVICE" MEANS A SMALL-SCALE
17 SOLAR, WIND, GEOTHERMAL, OR WATER ENERGY CONVERSION DEVICE WHICH
18 MEETS ALL STANDARDS FOR A SOLAR, WIND, GEOTHERMAL, OR WATER ENERGY
19 CONVERSION DEVICE PRESCRIBED BY THE MICHIGAN NEXT ENERGY AUTHORITY.

20 (B) "MICHIGAN NEXT ENERGY AUTHORITY" MEANS THE MICHIGAN NEXT
21 ENERGY AUTHORITY CREATED IN SECTION 3 OF THE MICHIGAN NEXT ENERGY
22 AUTHORITY ACT, 2002 PA 593, MCL 207.823.

23 (C) "SMALL-SCALE" MEANS HAVING A NAMEPLATE GENERATING CAPACITY
24 OF NOT MORE THAN 150 KILOWATTS.

25 (D) "SOLAR, WIND, GEOTHERMAL, OR WATER ENERGY CONVERSION
26 DEVICE" MEANS A MECHANISM OR SERIES OF MECHANISMS DESIGNED
27 PRIMARILY TO COLLECT, CONVERT, TRANSFER, OR STORE FOR FUTURE USE

1 SOLAR, WIND, GEOTHERMAL, OR WATER ENERGY FOR THE PURPOSES OF
2 HEATING, COOLING, OR ELECTRIC SUPPLY, BUT NOT THOSE PARTS OF A
3 HEATING, COOLING, OR ELECTRIC SUPPLY SYSTEM THAT WOULD BE REQUIRED
4 REGARDLESS OF THE ENERGY SOURCE BEING UTILIZED. HOWEVER, A WATER
5 ENERGY CONVERSION DEVICE INCLUDES ONLY THOSE DEVICES THAT UTILIZE
6 GROUNDWATER HEAT PUMPS OR LOW-HEAD HYDRO-ENERGY CONVERSION SYSTEMS.
7 LOW-HEAD HYDRO-ENERGY CONVERSION SYSTEMS DO NOT INCLUDE PUBLIC
8 UTILITY PROPERTY.